# 'We're screwed.' Some school districts feel like losers in new school-funding scheme

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Students and families tour the new 12-classroom expansion at Shaw Road Elementary in Puyallup following a ribbon-cutting ceremony Aug. 29, 2017. Some school districts are struggling to figure out how to implement the state Legislature's school-funding fix. Tony Overman toverman@theolympian.com

Under Washington's school-finance system, the Bethel School District, just south of Tacoma, gets about \$36,500 from the state to pay the base salary of each of its classroom teachers.

The state doles out the same amount for teacher pay in the neighboring Franklin Pierce and Tacoma school districts. But starting next fall, under the state's <a href="sweeping new K-12">sweeping new K-12</a> <a href="school-funding plan">school-funding plan</a>, Franklin Pierce will get about \$63,000 per teacher, Tacoma will collect about \$66,500 — but Bethel will get just \$59,000.

That's because the new funding plan ties <u>teacher pay to regional housing values</u>, which lawmakers hope will help districts offer competitive wages, and Bethel's housing values are lower than those in Franklin Pierce and Tacoma.

At first blush, you might expect districts to cheer an infusion of cash to pay their teachers. But the new funding formula — designed to lower local reliance on property taxes to pay for market wages — has created anxiety among district leaders worried about whether they'll be able to compete with their neighbors for high-quality teachers.

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"We're screwed. It's just the reality," said Bethel Superintendent Tom Siegel, noting that 80 percent of his teachers live outside district boundaries.

"If you're a rational man ... why would you drive an hour or 40 minutes to Bethel School District, where you'll get paid 10 percent less than if you taught close to your home?" he said.

Lawmakers have fielded similar questions across the state, as districts and teachers' unions try to make sense of all that lawmakers did with school funding last June. The four-year spending plan <u>adds about \$5.6 billion</u> to public schools — but comes with many new strings attached.

The changes include scrapping the statewide salary schedule that virtually all school districts have used to set base pay for their teachers. Lawmakers also set a cap on teacher salaries and no longer will funnel more money into schools with more experienced and educated teachers.

All that change has left districts with a lot of questions, including how to give educators raises — and for what — and why neighboring districts get such different amounts of money from the state for salaries.

"When you do any sweeping overhaul like that, a formula for 295 school districts doesn't necessarily get it right the first time," said Sally McLean, chief finance and operations officer for Federal Way Public Schools.

The dizzying list of changes doesn't go into effect until fall. But as lawmakers meet for a short session this year, they also will debate exactly how — or even whether — to spend an additional \$1 billion on salaries for teachers and other school staff.

The Washington Supreme Court recently ordered the state to do just that, and the justices expect the money to be in place by the 2018-19 school year, the deadline lawmakers promised to meet long ago.

In the meantime, contract negotiations over teacher pay have ground to a halt in many districts as officials wait for more clarity — and perhaps more money — from

lawmakers. At least 133 districts have open contracts with their unions, and many more could automatically reopen depending on what happens in Olympia this year.

"We're in the same place that we've been in past years," said Jared Kink, president of the Everett Education Association, which represents some of the highest-paid teachers in the state.

"We're paused, waiting for the legislative session to end," he said. "Obviously, the Legislature could always solve these problems sooner than later, and then we'd have the answers to start bargaining."

# Seeking a plan

Since 2012, the Legislature has pumped billions of dollars into K-12 schools, hoping to satisfy a Supreme Court order known as the McCleary decision. In that ruling, the justices found the state was violating the constitutional rights of its schoolchildren by failing to properly fund a basic education.

After last year's legislative session, the court ruled the state finally succeeded in coming up with a plan to fulfill its constitutional duty — but still fell about \$1 billion short of the longstanding September 2018 deadline to put that plan in place.

Some lawmakers already have suggested they don't think it's appropriate to do what the justices want.

"If you just dump \$900 million into the system without making other adjustments ... that's not an easy thing for (districts) to manage," Sen. John Braun, R-Centralia, said at a Jan. 4 news conference.

Democrats, including House Majority Leader Pat Sullivan, have shared similar concerns. Speaking to reporters this month, Sullivan suggested districts need more time to negotiate salaries — "in a way that's responsible," he said — before \$1 billion arrives in their coffers.

Seattle Public Schools officials suggested they may not be up to that task.

"If we don't bargain this thing correctly ... we (will) have created a long-term problem both for the union and us," said Stephen Nielsen, deputy superintendent for Seattle Public Schools. "We're very concerned about that."

Kink, however, did not buy arguments that meeting the Supreme Court's order this year would create a roller coaster for local contract negotiations.

Getting a big infusion of money "is a problem I'd love to have," Kink said.

"It might cause a little disarray for districts," he added, "and between now and August, it'd mean I'll have a really tough summer of negotiating. But I welcome that challenge if it means teachers get the money they've been owed sooner."

# Disparity troubles

Federal Way schools chief Tammy Campbell also dismissed the notion that districts couldn't handle an extra \$1 billion for salaries. ("That's not true," she said.) But a more pressing issue for her was the new state formula that ties a district's teacher pay to housing values.

In King County, all but four districts — Enumclaw, Federal Way, Shoreline and Vashon Island — will bank an extra 18 percent in state funding to help recruit and retain employees. Enumclaw, Federal Way and Vashon Island will collect only an extra 12 percent.

"We're recruiting from the same pool of teachers, yet there will be a significant deficit we're coming to the table with when we're trying to recruit the best and brightest," Campbell said.

Adding to the confusion is the 24-percent boost that Shoreline and five other districts — mostly in Snohomish County — will collect after the Legislature decided to grandfather their higher salary rates through at least 2020-21. That means those districts, at least for the time being, will receive more money for teacher pay than Seattle, where skyrocketing housing prices are already causing recruiting headaches across lower-paying industries.

An analysis from the nonprofit League of Education Voters also found the new state formula <u>appears to favor wealthier districts</u> with fewer students living in poverty.

Some lawmakers who hammered out the K-12 budget last year have <u>called for some</u> <u>patience</u> in judging its impact on local schools. But Democrat Christine Rolfes, the Senate's chief budget writer, said she's already working to find a fix for districts, like Bethel, that get no extra money for teacher salaries compared with surrounding districts.

"There aren't that many, maybe 20," said Rolfes, who specifically mentioned Olympia, Quilcene and Whidbey Island.

Lawmakers have also heard an earful from education groups demanding the restoration of <u>a soon-to-expire formula</u> that gives districts more money if they hire more educated and experienced teachers.

Opponents of that formula, known as staff mix, <u>successfully lobbied the Legislature</u> last year to eliminate it, arguing it punishes districts that enroll more at-risk students and have a harder time recruiting and retaining seasoned teachers. The loss of that extra

money, they argued, ripples through other state programs meant to support students living in poverty or who have special needs.

But groups representing school administrators, teachers and school-board members have united in lobbying this session to resurrect staff mix before it goes away in the fall. They worry its elimination will lead districts to hire the cheapest, rather than the best, teachers.

But Rolfes said lawmakers voted against staff mix for a reason.

"It wasn't a mistake," she said. "It was a purposeful policy change, and that's different than an unintended consequence."

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